

The Federal Retirement Thrift Investment Board administers the Thrift Savings Plan, which provides Federal employees the opportunity to save for additional retirement security.

The Federal Retirement Thrift Investment Board was established as an independent agency by the Federal Employees' Retirement System Act of 1986 (5 U.S.C. 8472). The act vests responsibility for the agency in six named fiduciaries: the five Board members and the Executive Director. The five members of the Board, one of whom is designated as Chairman, are appointed by the President with the advice and consent of the Senate and serve on the Board on a part-time basis. The members appoint the Executive Director, who is responsible for the management of the agency and the Plan.

Activities

The Thrift Savings Plan is a tax-deferred, defined contribution plan that was

established as one of the three parts of the Federal Employees' Retirement System. For employees covered under the System, savings accumulated through the Plan make an important addition to the retirement benefits provided by Social Security and the System's Basic Annuity. Civil Service Retirement System employees may also take advantage of the Plan to supplement their annuities.

The Board operates the Thrift Savings Plan and manages the investments of the Thrift Savings Fund solely for the benefit of participants and their beneficiaries. As part of these responsibilities, the Board maintains an account for each Plan participant, makes loans, purchases annuity contracts, and provides for the payment of benefits.

For further information, contact the Director of External Affairs, Federal Retirement Thrift Investment Board, 1250 H Street NW., Washington, DC 20005. Phone, 202-942-1640.

FEDERAL TRADE COMMISSION

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[For the Federal Trade Commission statement of organization, see the *Code of Federal Regulations*, Title 16, Part O]

The objective of the Federal Trade Commission is to maintain competitive enterprise as the keystone of the American economic system, and to prevent the free enterprise system from being fettered by monopoly or restraints on trade or corrupted by unfair or deceptive trade practices. The Commission is charged with keeping competition both free and fair.

The purpose of the Federal Trade Commission is expressed in the Federal Trade Commission Act (15 U.S.C. 41–58) and the Clayton Act (15 U.S.C. 12), both passed in 1914 and both successively amended in the years that have followed. The Federal Trade Commission Act prohibits the use in or affecting commerce of “unfair methods of competition” and “unfair or deceptive acts or practices.” The Clayton Act outlaws specific practices recognized as instruments of monopoly. As an administrative agency, acting quasi-judicially and quasi-legislatively, the Commission was established to deal with trade practices on a continuing and corrective basis. It has no authority to punish; its function is to prevent, through cease-and-desist orders and other means, those practices condemned by the law of Federal trade regulation. However, court-ordered civil penalties up to \$10,000 may be obtained for each violation of a Commission order or trade regulation rule.

The Federal Trade Commission was organized as an independent administrative agency in 1914 pursuant to the Federal Trade Commission Act. Related duties subsequently were delegated to the Commission by various statutes, including: the Wheeler-Lea Act, the Trans-Alaska Pipeline Authorization Act, the Clayton Act, the Export Trade Act, the Wool Products Labeling Act, the Fur Products Labeling Act, the Textile Fiber Products Identification Act, the Fair Packaging and Labeling Act, the Lanham Trade-Mark Act of 1946, the Consumer Credit Protection Act, the Robinson-Patman Act, the Hobby Protection Act, the Magnuson-Moss Warranty-Federal

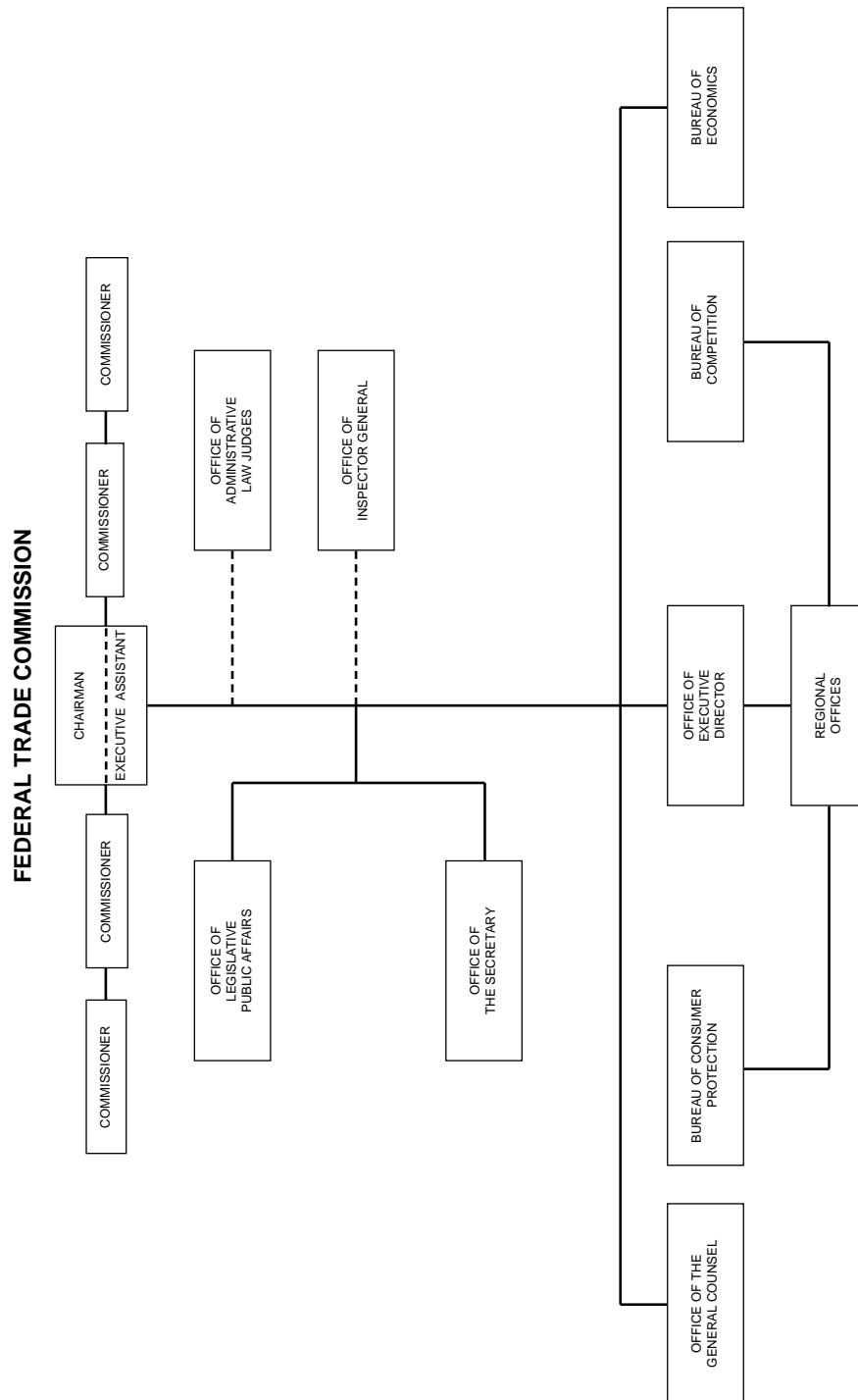
Trade Commission Improvement Act, the Federal Trade Commission Improvements Act of 1980, the Smokeless Tobacco Health Education Act of 1986, the Telephone Disclosure and Dispute Resolution Act, the Federal Trade Commission Improvements Act of 1994, the International Antitrust Enforcement Assistance Act of 1994, the Telemarketing and Consumer Fraud and Abuse Prevention Act, and the Federal Trade Commission Act Amendments of 1994.

The Commission is composed of five members. Each member is appointed by the President, with the advice and consent of the Senate, for a term of 7 years. Not more than three of the Commissioners may be members of the same political party. One Commissioner is designated by the President as Chairman of the Commission and is responsible for its administrative management.

Activities

The Commission’s principal functions are to:

- promote competition in or affecting commerce through the prevention of general trade restraints such as price-fixing agreements, boycotts, illegal combinations of competitors, and other unfair methods of competition;
- safeguard the public by preventing the dissemination of false or deceptive advertisements of consumer products and services generally, and food, drug, cosmetics, and therapeutic devices, particularly, as well as other unfair or deceptive practices;
- prevent pricing discrimination; exclusive-dealing and tying



arrangements; corporate mergers, acquisitions, or joint ventures, when such practices or arrangements may substantially lessen competition or tend to create a monopoly; interlocking directorates or officers' positions that may restrain competition; the payment or receipt of illegal brokerage; and discrimination among competing customers in the furnishing of or the payment for services or facilities used to promote the resale of a product;

- enjoin various fraudulent telemarketing schemes;

- bring about truthful labeling of textile, wool, and fur products;

- regulate packaging and labeling of certain consumer commodities within the purview of the Fair Packaging and Labeling Act so as to prevent consumer deception and to facilitate value comparisons;

- supervise the registration and operation of associations of American exporters engaged in export trade;

- achieve accurate credit cost disclosure by consumer creditors (retailers, finance companies, non-Federal credit unions, and other creditors not specifically regulated by another Government agency) as called for in the Truth in Lending Act to ensure a meaningful basis for informed credit decisions, and to regulate the issuance of and liability for the use of credit cards so as to prohibit their fraudulent use in or affecting commerce;

- protect consumers against circulation of inaccurate or obsolete credit reports and ensure that consumer reporting agencies exercise their responsibilities in a manner that is fair and equitable and in conformity with the Fair Credit Reporting Act, the Fair Credit Billing Act, the Equal Credit Opportunity Act, and the Fair Debt Collection Practices Act; and

- gather and make available to the Congress, the President, and the public, factual data concerning economic and business conditions.

Enforcement The Commission's law enforcement work falls into two general categories: actions to foster voluntary compliance with the law, and formal

administrative litigation leading to mandatory orders against offenders.

For the most part, compliance with the law is obtained through voluntary and cooperative action by way of staff level advice, which is not binding on the Commission; advisory opinions by the Commission; and through issuance of guides and policy statements delineating legal requirements as to particular business practices.

The formal litigation is similar to that in Federal courts. Cases are instituted either by issuance of an administrative complaint or by filing a Federal district court complaint charging the person, partnership, or corporation with violating one or more of the statutes administered by the Commission. Cases may be settled by consent orders. If the charges in an administrative matter are not contested, or if the charges are found to be true after an administrative hearing in a contested case, a cease-and-desist order may be issued requiring discontinuance of the unlawful practices and may include other related requirements. Federal district court charges are resolved through either settlements or court-ordered injunctive or other equitable relief.

Legal Case Work Cases before the Commission may originate through complaint by a consumer or a competitor; the Congress; or from Federal, State, or municipal agencies. Also, the Commission itself may initiate an investigation into possible violation of the laws it administers. No formality is required in submitting a complaint. A letter giving the facts in detail, accompanied by all supporting evidence in possession of the complaining party, is sufficient. It is the general policy of the Commission not to disclose the identity of any complainant, except as permitted by law or Commission rules.

Upon receipt of a complaint, various criteria are applied in determining whether the particular matter should be investigated. Within the limits of available resources, investigations are initiated that are considered to best support the Commission's goals of maintaining competition and protecting consumers.

The Commission's investigations commonly include requests for voluntary production of relevant information and materials. The Commission also has the authority to issue compulsory process in the form of subpoenas, civil investigative demands, or orders to file reports. The Commission may bring suit in a United States district court to enforce its compulsory process. Also, the Commission often cooperates with other law enforcement agencies, both domestic and, to the extent permitted by U.S. law, foreign and international.

On completion of an investigation, staff will recommend Commission action. The staff may recommend that the matter be closed. If that recommendation is approved, a closing letter is usually sent to the individual or company that was the subject of the investigation. The staff may instead recommend that the Commission approve the settlement of a case, usually by acceptance of an agreement containing a consent order to cease and desist. Such consent orders frequently provide that the respondent does not admit any violation of the law, but agrees to be bound by an order requiring the discontinuance of the challenged practices, and, in some cases, other corrective action.

If the Commission determines that some action other than closing the investigation is appropriate, but no consent agreement can be negotiated, the Commission may issue a formal complaint alleging that the respondent has violated one or more of the laws administered by the Commission. The respondent is then served with a copy of the complaint, often accompanied by a proposed cease-and-desist order to be used if the allegations of law violations are proved. The Commission's counsel supporting the complaint and respondents may negotiate a consent agreement after the issuance of the formal complaint. Otherwise, the case is heard by an administrative law judge, who conducts a trial that is open to the public, and issues an initial decision.

The initial decision becomes the decision of the Commission at the end of 30 days unless the respondent or the

counsel supporting the complaint appeals the decision to the Commission, or the Commission by order stays the effective date or places the case on its own docket for review. In the Commission's decision on such an appeal or review, the initial decision may be sustained, modified, or reversed. If the complaint is sustained or modified, a cease-and-desist order is issued. If an initial decision dismissing a complaint is sustained, no cease-and-desist order is issued.

Under the Federal Trade Commission Act, an order to cease and desist or to take other corrective action—such as affirmative disclosure, divestiture, or restitution—becomes final 60 days after date of service upon the respondent, unless within that period the respondent petitions an appropriate United States court of appeals to review the order, and also petitions the Commission to stay the order pending review. If the Commission does not stay the order, the respondent may seek a stay from the reviewing appeals court. The appeals court has the power to affirm, modify, or set the order aside. If the appeals court upholds the Commission's order, the respondent may seek certiorari to the Supreme Court and ask that the appeals court or the Supreme Court continue to stay the order. Provisions requiring divestiture are automatically stayed until any judicial review is complete. Violations of a cease-and-desist order, after it becomes effective, subject the offender to suit by the Government in a United States district court for the recovery of a civil penalty of not more than \$10,000 for each violation and, where the violation continues, each day of its continuance is a separate violation.

In addition to, or in lieu of, the administrative proceeding initiated by a formal complaint, the Commission may, in some cases, request that a United States district court issue a preliminary or permanent injunction to halt the use of allegedly unfair or deceptive practices, to prevent an anticompetitive merger from taking place, or to prevent violations of any other statutory obligations enforced by the Commission.

The Commission also has specific authority to ask the United States district court to enjoin the dissemination of advertisements of food, drugs, cosmetics, and devices intended for use in the diagnosis, prevention, or treatment of disease, whenever it has reason to believe that such a proceeding would be in the public interest. Preliminary injunctions remain in effect until a cease-and-desist order is issued and becomes final, or until the complaint is dismissed by the Commission or the order is set aside by the court on review.

Further, the dissemination of a false advertisement of a food, drug, device, or cosmetic, where the use of the commodity advertised may be injurious to health or where there is intent to defraud or mislead, constitutes a misdemeanor. Conviction subjects the offender to a fine of not more than \$5,000, or imprisonment of not more than 6 months, or both. Succeeding convictions may result in a fine of not more than \$10,000, or imprisonment for not more than 1 year, or both. The statute provides that the Commission shall certify this type of case to the Attorney General for institution of appropriate court proceedings.

Compliance Activities Through systematic and continuous review, the Commission obtains and maintains compliance with its cease-and-desist orders. All respondents against whom such orders have been issued are required to file reports with the Commission to substantiate their compliance. In the event compliance is not obtained, or if the order is subsequently violated, civil penalty proceedings may be instituted.

Trade Regulation Rules The Commission is authorized to issue trade regulation rules specifically defining acts or practices that are unfair or deceptive. A rule may also specify steps to prevent such practices from occurring. Such rules may be limited to certain industries or be applicable to all businesses within the Commission's jurisdiction. Rules are promulgated under specific procedures providing for participation of interested parties, including oral hearings and comments. The Commission's decision

to issue a rule may be appealed to a United States court of appeals. In most cases, once a rule has become final, the Commission can seek the institution of a civil proceeding in a United States district court for knowing violations of the rule and seek civil penalties of up to \$10,000 per violation and consumer redress.

Cooperative Procedures In carrying out the statutory directive to "prevent" the use in or affecting commerce of unfair practices, the Commission makes extensive use of voluntary and cooperative procedures. Through these procedures business and industry may obtain authoritative guidance and a substantial measure of certainty as to what they may do under the laws administered by the Commission.

Whenever it is practicable, the Commission will furnish a formal advisory opinion as to whether a proposed course of conduct, if pursued, would be likely to result in further action by the Commission. An advisory opinion is binding upon the Commission with respect to the person or group to whom the opinion is issued with regard to the acts, practices, or conduct described in the request, where all relevant facts were completely and accurately presented to the Commission, until the advice has been rescinded or revoked and notice has been given to the requester. No enforcement action will be initiated by the Commission concerning any conduct undertaken by the requester in good faith reliance upon the advice of the Commission where such conduct is discontinued promptly upon notification of rescission or revocation of the Commission's approval.

Industry guides are administrative interpretations in laymen's language of laws administered by the Commission for the guidance of the public in conducting its affairs in conformity with legal requirements. They provide the basis for voluntary and simultaneous abandonment of unlawful practices by members of a particular industry or industry in general. Failure to comply with the guides may result in corrective action by the Commission under applicable statutory provisions.

Consumer Protection Consumer protection is one of the two main missions of the Commission. The Commission works to increase the usefulness of advertising by ensuring it is truthful and not misleading; reduce instances of fraudulent, deceptive, or uniform marketing practices; and prevent creditors from using unlawful practices when granting credit, maintaining credit information, collecting debts, and operating credit systems. Consumer Protection initiates investigations in many areas of concern to consumers, including health claims in food advertising; environmental advertising and labeling; general advertising issues; health care fraud; telemarketing, business opportunity, and franchise and investment fraud; mortgage lending and discrimination; enforcement of Commission orders; and enforcement of credit statutes and trade rules.

The Commission has issued and enforces many trade rules important to consumers. The Used Car Rule requires that dealers display a buyers guide containing warranty information on the window of each vehicle offered for sale to consumers. The Mail Order Rule requires companies to ship merchandise that consumers order by mail or telephone within a certain time, and sets out requirements for notifying consumers about delays and offering them the option of agreeing to the delays or cancelling their orders. The Funeral Rule requires that price and other specific information regarding funeral arrangements be made available to consumers to help them make informed choices and pay only for services they select. The Franchise Rule requires the seller to provide each prospective franchisee with a basic disclosure document containing detailed information about the nature of its business and terms of the proposed franchise relationship. The R-Value Rule requires manufacturers to disclose the R-value (a measure of resistance to heat flow) of their home-insulation products. Under the Cooling-Off Rule, consumers can cancel purchases of \$25 or more made door-to-door, or at places other

than the seller's usual place of business, within 3 business days of purchase.

Under the Consumer Protection mission, the Commission also enforces a number of specific laws that help consumers. One such law is the Consumer Credit Protection Act, which establishes, among other things, rules for the use of credit cards, the disclosure of the terms on which open- and closed-end credit is granted, and the disclosure of the reasons a business uses in determining not to grant credit.

The Truth in Lending Act is one part of the Consumer Credit Protection Act. Its purpose is to ensure that every customer who has need for consumer credit is given meaningful information with respect to the cost of that credit. In most cases the credit cost must be expressed in the dollar amount of finance charges, and as an annual percentage rate computed on the unpaid balance of the amount financed. The Truth in Lending Act was amended in October 1970 to regulate the issuance, holder's liability, and the fraudulent use of credit cards.

The Fair Credit Reporting Act, another part of the Consumer Credit Protection Act, represents the first Federal regulation of the vast consumer reporting industry, covering all credit bureaus, investigative reporting companies, detective and collection agencies, lenders' exchanges, and computerized information reporting companies. The purpose of this act is to ensure that consumer reporting activities are conducted in a manner that is fair and equitable, upholding the consumer's right to privacy as against the informational demands of others. **Maintaining Competition (Antitrust)** The second major mission of the Commission is to encourage competitive forces in the American economy. Under the Federal Trade Commission Act, the Commission seeks to prevent unfair practices that may keep one company from competing with others. Under the Federal Trade Commission Act and the Clayton Act, the Commission attempts to prevent mergers of companies if the result may be to lessen competition. Under some circumstances, companies

planning to merge must first give notice to the Commission and the Department of Justice's Antitrust Division and provide certain information concerning the operations of the companies involved.

The Commission also enforces the provisions of the Robinson-Patman Act, a part of the Clayton Act prohibiting companies from discriminating among other companies that are its customers in terms of price or other services provided. **Economic Factfinding** The Commission makes economic studies of conditions and problems affecting competition in the economy. Reports of this nature may be used to inform legislative proposals, part of a rulemaking record, in response to requests of the Congress and statutory directions, or for the information and guidance of the Commission and the executive branch of the Government as well as the public. The reports have provided the basis for significant legislation and, by spotlighting poor economic or regulatory performance,

they have also led to voluntary changes in the conduct of business, with resulting benefits to the public.

Competition and Consumer Advocacy To promote competition, consumer protection, and the efficient allocation of resources, the Commission has an active program designed to advocate the consumer interest in a competitive marketplace by encouraging courts, legislatures, and government administrative bodies to consider efficiency and consumer welfare as important elements in their deliberations.

The Commission uses these opportunities to support procompetitive means of regulating the Nation's economy, including the elimination of anticompetitive regulations that reduce the welfare of consumers and the implementation of regulatory programs that protect the public and preserve as much as possible the discipline of competitive markets. The competition and consumer advocacy program relies on persuasion rather than coercion.

Regional Offices—Federal Trade Commission

Region	Address	Director
ATLANTA—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia	Rm. 1000, 1718 Peachtree St. NW., Atlanta, GA 30367	Paul K. Davis, <i>Acting</i>
BOSTON—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Suite 1184, 10 Causeway St., Boston, MA 02222-1073	Phoebe D. Morse
CHICAGO—Illinois, Indiana, Iowa, Kentucky, Minnesota, Missouri, Wisconsin	Suite 1437, 55 E. Monroe St., Chicago, IL 60603	C. Steven Baker
CLEVELAND—Delaware, District of Columbia, Maryland, Michigan, Ohio, Pennsylvania, West Virginia	Suite 520-A, 668 Euclid Ave., Cleveland, OH 44114	Phillip L. Broyles
DALLAS—Arkansas, Louisiana, New Mexico, Oklahoma, Texas	Suite 500, 100 N. Central Expressway, Dallas, TX 75201	Thomas B. Carter
DENVER—Colorado, Kansas, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming	Suite 1523, 1961 Stout St., Denver, CO 80294-0101	Claude C. Wild III
LOS ANGELES—Arizona, southern California	Suite 13209, 11000 Wilshire Blvd., Los Angeles, CA 90024	Sue L. Frauens, <i>Acting</i>
NEW YORK—New Jersey, New York	Suite 1300, 150 William St., New York, NY 10038	Michael J. Bloom
SAN FRANCISCO—Northern California, Hawaii, Nevada	Suite 570, 901 Market St., San Francisco, CA 94103	Jeffrey A. Klurfeld
SEATTLE—Alaska, Idaho, Oregon, Washington	2806 Federal Bldg., 915 2d Ave., Seattle, WA 98174	Charles A. Harwood

Sources of Information

Contracts and Procurement Persons seeking to do business with the Federal Trade Commission should contact the Division of Procurement and General Services, Federal Trade Commission, Washington, DC 20580. Phone, 202-326-2275.

Employment Civil service registers are used in filling positions for economists, accountants, investigators, and other professional, administrative, and clerical personnel. The Federal Trade Commission employs a sizable number of attorneys under the excepted appointment procedure. All employment

inquiries should be directed to the Director of Personnel, Federal Trade Commission, Washington, DC 20580. Phone, 202-326-2022.

General Inquiries Persons desiring information on consumer protection, restraint of trade questions, or to register a complaint, should contact the Federal Trade Commission or the nearest regional office.

Publications A copy of the *Federal Trade Commission—"Best Sellers,"* which lists publications of interest to the

general public, is available free upon request from the Public Reference Section, Federal Trade Commission, Washington, DC 20580. Phone, 202-326-2222. TTY, 202-326-2502.

Over 140 of the Commission's consumer publications are also available online. The FTC Consumerline gopher service is located on the Internet at CONSUMER.FTC.GOV 2416. For World Wide Web access, the Uniform Resource Locator is GOPHER://CONSUMER.FTC.GOV:2416.

For further information, contact the Director, Office of Public Affairs, Federal Trade Commission, Pennsylvania Avenue at Sixth Street NW., Washington, DC 20580. Phone, 202-326-2180.

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